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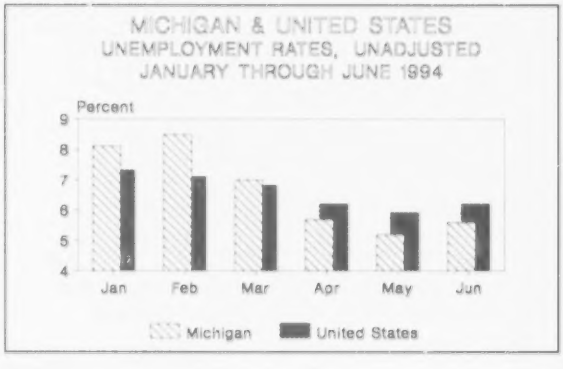
MICHIGAN'S LABOR MARKET NEWS

Volume 50 Number 6 *August 1994*

LABOR FORCE INCREASES SEASONALLY IN JUNE

The number of individuals in Michigan's labor force continued to advance, as the total number of workers with jobs reached an all-time high in June. Despite the seasonal rise in the state's unemployment rate to 5.6 percent from 5.2 in May (unadjusted), June was the third consecutive month this year that Michigan's unemployment rate was below the nation's rate. The U.S. jobless rate also moved upward during the month, and settled at 6.2 percent, up from 5.9 percent in May.

During the month of June, the number of unemployed workers in Michigan advanced by 21,000 to 270,000, while employment jumped by 42,000 to a record high of 4,538,000. The labor force also increased during the month, reaching 4,808,000, a climb of 63,000 over May. The gain in Michigan's jobless rate was primarily the result of seasonal increase in the labor force, as students and other individuals continued looking for summer employment.



RECREATION AND TOURISM EMPLOYMENT EXPANDS

Total wage and salary employment in Michigan continued to advance, as industry jobs rose to 4,124,100 in June. Employment opportunities rose by more than 14,000, concentrating mostly in the goods producing sector. Goods producing jobs moved up by 22,200, as a result of seasonal gains in the construction industry. Service producing employment lost 3,000 positions over the month. Strong seasonal advances in the recreation, amusement and tourism industries were not enough to make up for the temporary job loss caused by the closing of state and local educational facilities for the summer.

HOURS AND EARNINGS
MICHIGAN

	Average Hourly Earnings		Average Weekly Hours	
	1994		1994	
	May	Jun.	May	Jun.
Manufacturing	16.17	16.15	44.8	44.5
Durables	17.23	17.22	45.7	45.2
Motor Vehicles	21.33	21.27	47.3	46.9
Nondurables	12.67	12.71	42.1	42.4

In June, the average hourly earnings in the state's manufacturing industries declined by 2 cents to $16.15, while the average workweek dropped to 44.5 hours from 44.8 hours the previous month. The loss was due to fewer hours of overtime in automotive and related industries. As a result, average weekly earnings in manufacturing declined to $718.67, a drop of $5.75 from May's total.

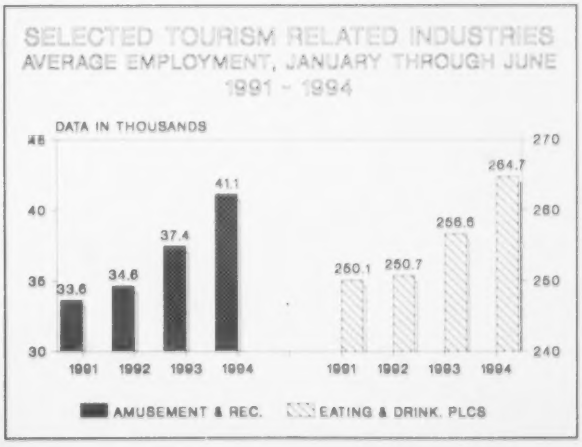
TRAVEL & TOURISM SUMMER 1994

The travel and tourism industry in Michigan is an important source of revenue for local businesses and provides many job opportunities for area workers. Michigan's Travel Bureau reports that in 1993, direct spending by tourists generated nearly $7.4 billion in revenues and employed over 114,500 workers.

The summer jobs generated by the tourism and recreational industries are divided mainly between the retail and service sectors of the economy. The travel-related retail industries include eating and drinking places, gasoline stations as well as recreational trailer and boat dealers. Service industries benefiting from travel expenditures are hotels and motels, rooming and boarding houses, camps and trailer parks and amusement and recreation.

The strong uptrend in Michigan's economy over the last year has had a positive effect on the state's travel industry. After several years of slack activity and weak employment pattern, the travel sector experienced a healthy increase in 1993. Analysis of Michigan's travel activity shows a 5 percent increase in travel volume and spending over last summer. From an employment perspective, the number of jobs in tourist related industries expanded by 14 thousand between 1992 and 1993.

Several factors, in addition to the favorable economy are expected to promote travel and tourist activity this summer. These include improvement in consumer confidence and the trend in stable or declining gasoline prices. Overall, most analysts expect solid gains varying from 5 to 6 percent this summer in the travel industry.



	Michigan (Data in Thousands)		
	Jun 1994	May 1994	Jun 1993
Place of Residence			
Labor Force	4,808	4,745	4,822
Employment	4,538	4,496	4,465
Unemployment	270	249	357
Rate (Percent)	5.6	5.2	7.4
Place of Work			
Total Employment	4,124	4,110	4,005
Goods Producing	1,104	1,082	1,053
Const. & Mining	157	149	149
Manufacturing	947	933	903
Durable Goods	705	696	668
Primary Metals	37	36	36
Fabricated Metals	122	121	116
Trans. Equip.	296	293	278
Nondurable Goods	242	238	235
Food & Kindred	43	42	45
Other Nondurable	199	196	190
Service Producing	3,020	3,028	2,952
Tran. Comm. Util.	162	161	159
Wholesale Trade	205	200	199
Retail Trade	772	763	746
General Merch.	121	120	117
Eating & Drinking	278	277	270
Fin. Ins. Real Est.	199	196	195
Finance	85	84	83
Services	1,066	1,058	1026
Business Services	222	220	206
Health Services	339	335	331
Other Services	505	503	489
Government	617	650	628
Federal	57	56	57
State	148	159	148
Local	413	435	422
Labor Disputes	0.7	0.2	0.3

MAJOR LABOR MARKET AREAS

MOST AREAS SHOW SEASONAL GAINS IN LABOR FORCE AND EMPLOYMENT

The jobless rate increased in all but two of Michigan's major labor market areas, as the number of summer jobseekers outpaced the number of job openings during June. Normal seasonal increases in both the labor force and employment were recorded in most of the state's major areas. The Lansing area, with a strong concentration of state and local education, was the only major labor market area to experience a drop in both labor force and employment.

Among Michigan's major areas, Ann Arbor had the lowest unemployment rate at 3.5 percent, followed by Lansing with 4.1 percent and Grand Rapids and Kalamazoo both with 4.6 percent. The Upper Peninsula, which typically has a seasonal upswing in employment during the summer, was the only area to show a decline in unemployment for the month, as its jobless rate fell to 8.0 percent. Despite the decline, the 15-county area still showed the highest unemployment rate among Michigan's major labor market areas. The rate drop in the Upper Peninsula is attributed to strong seasonal employment gains in the tourism, amusement and recreation industries.

MIXED PICTURE IN PAYROLL EMPLOYMENT

Wage and salary employment in the major areas again revealed a mixed picture that is typical for the month of June. On one hand, employment increased in summer related industries such as tourism, amusement, recreation, and construction. On the other hand, most educational facilities closed shop for the summer, temporarily reducing their staff until September, and causing employment to drop in state and local education. In many areas, the gains in the summer related industries more than made up for the losses in education. Among the major areas, only the Lansing area showed a noticeable decrease in it's employment levels, due to the end of the spring semester at Michigan State University.

During June, the average hourly earnings in the manufacturing industries increased in six out of the 10 major labor market areas in Michigan. The gains were due mostly to small advances in the durable goods industries. The average workweek moved down in eight of the major areas over the month, causing average weekly earnings in six areas to decrease. The largest losses were reflected in the Detroit and Flint areas with total declines of $14.31 and $12.87, respectively.

MANUFACTURING HOURS AND EARNINGS
Major Labor Market Areas
May and June 1994

Area	Average Weekly Hours		Average Weekly Earnings		Average Hourly Earnings	
	May	Jun.	May	Jun.	May	Jun.
Ann Arbor	45.9	45.3	766.99	754.70	16.71	16.66
Benton Harbor	42.5	42.9	483.65	492.49	11.38	11.48
Detroit	46.9	46.1	811.84	797.53	17.31	17.30
Flint	48.0	47.5	1050.72	1037.85	21.89	21.85
Grand Rapids	42.4	42.7	556.29	564.07	13.12	13.21
Jackson	43.5	42.8	495.46	497.76	11.39	11.63
Kalamazoo	44.7	44.6	670.05	673.91	14.99	15.11
Lansing	45.9	45.8	824.82	824.40	17.97	18.00
Saginaw	46.6	46.4	844.39	841.70	18.12	18.14
Upper Peninsula	40.7	40.0	451.77	440.40	11.10	11.01

Civilian Labor Force and Wage & Salary Estimates

	Flint			Grand Rapids - Muskegon			Jackson		
	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993
Place of Residence									
Labor Force	198,700	196,400	201,900	528,100	523,000	527,500	74,900	73,700	75,000
Employment	182,900	182,500	182,400	503,600	501,300	495,000	70,200	69,500	69,200
Unemployment	15,800	13,900	19,500	24,400	21,700	32,500	4,600	4,100	5,800
Rate (Percent)	7.9	7.1	9.7	4.6	4.1	6.2	6.2	5.6	7.8
Place of Work									
Total Employment	167,800	168,000	165,000	481,000	480,300	465,900	56,900	56,700	55,500
Construction & Mining	5,400	4,700	5,200	21,400	20,400	19,900	1,800	1,700	1,600
Manufacturing	47,400	46,900	45,600	141,000	138,600	135,200	12,800	12,800	12,200
Tran., Comm. & Utilities	4,300	4,200	4,700	17,400	17,100	17,000	3,700	3,600	3,600
Wholesale Trade	6,800	6,900	7,000	30,000	29,800	29,500	2,200	2,200	2,200
Retail Trade	33,200	32,800	32,900	85,300	85,200	84,400	11,500	11,300	11,200
Fin., Ins. & Real Estate	6,400	6,300	6,300	19,400	19,200	19,400	1,900	1,900	1,900
Services	41,900	41,800	40,800	116,200	117,300	110,900	13,000	12,800	12,600
Government	22,500	24,300	22,400	50,200	52,500	49,600	10,000	10,300	10,200
Labor Disputes	0	0	0	200	0	100	100	0	0

	Upper Peninsula			Grand Traverse LMA			Missaukee-Wexford LMA		
	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993
Place of Residence									
Labor Force	156,200	153,100	155,300	68,600	65,400	67,200	20,600	19,900	20,100
Employment	143,600	140,400	141,200	65,200	62,100	62,700	18,900	18,400	18,200
Unemployment	12,600	12,700	14,100	3,500	3,400	4,500	1,700	1,500	1,900
Rate (Percent)	8.0	8.3	9.1	5.0	5.1	6.6	8.3	7.4	9.5
Place of Work									
Total Employment	125,700	124,000	121,900	56,200	54,000	53,500	16,600	16,300	15,600
Construction & Mining	8,600	7,800	8,700	5,100	4,900	4,900	500	400	500
Manufacturing	15,800	15,400	15,500	7,400	7,100	7,000	5,000	4,900	4,400
Tran., Comm. & Utilities	5,900	5,600	5,900	1,900	1,900	1,900	700	700	700
Wholesale Trade	3,500	3,400	3,400	2,000	1,900	1,900	500	500	500
Retail Trade	26,800	25,800	25,600	13,400	12,400	12,800	3,400	3,400	3,300
Fin., Ins. & Real Estate	4,300	4,300	4,300	2,200	2,200	2,100	400	400	400
Services	27,600	26,400	26,100	16,900	16,100	15,700	3,400	3,300	3,300
Government	33,200	35,300	32,500	7,400	7,600	7,300	2,600	2,700	2,600
Labor Disputes	0	0	0	0	0	0	0	0	0

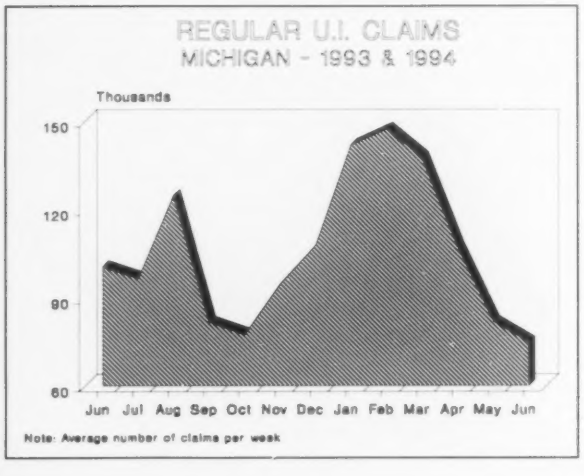
Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Benton Harbor			Detroit (Data in Thousands)		
	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993
Place of Residence									
Labor Force	281,200	278,600	283,000	83,500	83,200	84,200	2,155	2,126	2,163
Employment	271,200	269,800	270,100	78,400	78,500	77,800	2,038	2,019	1,994
Unemployment	10,000	8,800	12,900	5,000	4,700	6,400	117	107	169
Rate (Percent)	3.5	3.2	4.6	6.0	5.7	7.6	5.4	5.0	7.8
Place of Work									
Total Employment	246,800	247,200	243,000	68,400	69,100	67,300	1,945	1,930	1,888
Construction & Mining	7,000	6,800	6,700	2,000	1,900	1,900	64	61	60
Manufacturing	54,500	54,100	54,200	20,600	20,400	20,200	435	429	408
Tran., Comm. & Utilities	5,400	5,400	5,500	2,900	2,800	2,800	87	87	85
Wholesale Trade	7,600	7,600	7,500	2,300	2,300	2,200	114	112	113
Retail Trade	40,900	40,700	40,000	12,800	12,600	12,500	344	342	338
Fin., Ins. & Real Estate	9,600	9,500	9,500	2,600	2,600	2,500	111	109	109
Services	57,300	56,900	55,900	16,700	17,100	16,100	561	554	542
Government	64,600	66,400	63,700	8,600	9,300	9,000	231	236	233
Labor Disputes	0	0	0	0	0	0	0.2	0.2	0

	Kalamazoo - Battle Creek			Lansing			Saginaw - Bay - Midland		
	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993	Jun 1994	May 1994	Jun 1993
Place of Residence									
Labor Force	225,100	223,800	227,100	235,100	236,500	237,000	197,900	194,400	197,500
Employment	214,800	213,500	213,600	225,400	227,800	225,100	185,900	183,000	183,300
Unemployment	10,300	10,300	13,400	9,700	8,700	12,000	12,000	11,300	14,200
Rate (Percent)	4.6	4.6	5.9	4.1	3.7	5.0	6.1	5.8	7.2
Place of Work									
Total Employment	196,700	196,900	193,400	213,900	219,100	211,700	168,600	168,000	165,600
Construction & Mining	7,200	6,800	6,800	6,700	6,400	6,500	8,100	7,600	7,900
Manufacturing	50,300	49,900	49,700	29,700	29,500	28,500	41,500	40,600	41,200
Tran., Comm. & Utilities	6,300	6,300	6,300	6,400	6,300	6,400	6,500	6,500	6,600
Wholesale Trade	6,900	6,900	6,800	8,200	8,100	7,900	6,500	6,400	6,100
Retail Trade	36,400	36,700	35,700	39,700	39,500	39,400	37,000	35,700	35,400
Fin., Ins. & Real Estate	10,500	10,400	10,200	12,500	12,400	12,500	6,400	6,300	6,300
Services	47,300	46,900	46,100	49,500	49,300	48,400	41,000	41,800	40,600
Government	31,700	33,100	31,800	61,100	67,600	62,100	21,600	23,200	21,500
Labor Disputes	0	0	0	0	0	0	100	0	0

JOBLESS BENEFIT CLAIMS DOWN

The number of individuals collecting regular unemployment benefits dropped for the fourth consecutive month in June 1994. The regular unemployment insurance (U.I.) claimsload averaged 74,624 per week during the month, approximately 7,100 less than the May total. The 8.7 percent decline was primarily due to recalls in the automotive and auto-related industries. In June 1993, the number of claimants drawing unemployment insurance benefits under the regular benefit program was higher, averaging 100,505.



CONSUMER PRICE INDEX (CPI)
ALL URBAN CONSUMERS
JUNE 1994

	Index No.	% Changes from Last Period	% Changes from Last Year
Detroit	144.8	+1.5	+4.1
U.S.	148.0	+0.3	+2.5

DETROIT CPI RISES IN JUNE

Consumer prices in the Detroit metropolitan area rose from 142.6 in April to 144.8 in June. The 1.5 percent increase was primarily due to higher costs for medical care and transportation. Between June 1993 and June 1994, the cost of living in the Detroit area advanced by 4.1 percent.

At the national level, the June cost of living climbed over the month by 0.3 percent and by 2.5 percent over the year. The consumer price index increases in June resulted from higher costs for transportation and medical care.

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